HINDU UNIVERSITY OF AMERICA INC
(A Florida Nonprofit Corporation)

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
YEARS ENDED

JUNE 30, 2022 and 2021

CPA Auditor, Inc.
Professional Accountancy Corporation

HINDU UNIVERSITY OF AMERICA INC

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CPA Auditor, Inc.
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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Hindu University of America, Inc
Orlando, Florida

Opinion

We have audited the accompanying financial statements of Hindu University of America, Inc (a Florida nonprofit corporation) which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activity, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred above present fairly, in all material respects, the financial position of Hindu University of America, Inc as of June 30, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hindu University of America, Inc and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt Hindu University of America, Inc's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hindu University of America, Inc's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hindu University of America, Inc's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Cpa Auditor, Inc.

San Francisco, California
December 5, 2022

Hindu University of America, Inc
(A Florida Nonprofit Corporation)
Statements of Financial Position
June 30, 2022 and 2021

ASSETS

	June 30, 2022	June 30, 2021
Current Assets		
Cash and cash equivalents	$ 2,695,553	$ 2,205,663
Investments	239,959	-
Total Assets	**2,935,512**	**2,205,663**

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts and credit cards payable	7,568	7,683
Total Current Liabilities	7,568	7,683
	-	-
Net Assets		
With donor restrictions	56,008	-
Without donor restrictions	2,871,936	2,197,980
Total Net Assets	2,927,944	2,197,980
Total Liabilities and Net Assets	**$ 2,935,512**	**$ 2,205,663**

Hindu University of America, Inc
(A Florida Nonprofit Corporation)
Statement of Activities and Changes in Net Assets
Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Donation and Support			
General donation	$ 1,431,181	$ -	$ 1,431,181
Scholarship donation	-	71,008	71,008
Tuition Revenue			
Student tuition revenue	528,475	-	528,475
Scholarship tuition revenue	15,000	(15,000)	-
Student scholarships, in kind	33,550	-	33,550
Textbook sale and other revenue	16,911	-	16,911
Investment Income			
Interest income	4,550	-	4,550
Unrealized loss on investment	(115,258)	-	(115,258)
Total revenue and support	1,914,409	56,008	1,970,417
Expenses:			
Program services:			
Program	1,016,893	-	1,016,893
Support services:			
General and administrative	182,507	-	182,507
Fundraising	41,053	-	41,053
Total support services	223,560	-	223,560
Total Expenses	1,240,453	-	1,240,453
Change in net assets	673,956	56,008	729,964
Net Assets, beginning of year	2,197,980	-	2,197,980
Net Assets, end of year	**$ 2,871,936**	**$ 56,008**	**$ 2,927,944**

HINDU UNIVERSITY OF AMERICA INC
(A Florida Nonprofit Corporation)
Statement of Activities and Changes in Net Assets
Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Donation and Support			
General donation	$ 1,934,639	$ -	$ 1,934,639
Research grants, private	-	33,200	33,200
Tuition Revenue			
Student tuition revenue	480,995	-	480,995
Textbook sale and other revenue	16,252	-	16,252
Investment Income			
Interest income	1,533	-	1,533
Total revenue and support	2,433,419	33,200	2,466,619
Expenses:			
Program services:			
Program	555,408	33,200	588,608
Support services:			
General and administrative	256,219	-	256,219
Total support services	256,219	-	256,219
Total Expenses	811,627	33,200	844,827
Change in net assets	1,621,792	-	1,621,792
Net Assets, beginning of year	576,188	-	576,188
Net Assets, end of year	**$ 2,197,980**	**$ -**	**$ 2,197,980**

	June 30, 2022	June 30, 2021
Cash flow from operating activities:		
Change in net assets	$ 729,964	$ 1,621,792
Adjustments to reconcile change in net assets to		
net cash provided by operating activities:		
Unrealized loss on investment	115,258	
Changes in assets and liabilities:		
Prepaid expenses	-	48,329
Accounts payable	324	8,192
Net cash provided by operating activities	845,546	1,678,313
Cash flow from investing activities		
Investments	(355,656)	-
Net Cash Used in Investing Activities	(355,656)	-
Net increase in cash and cash equivalents	489,890	1,678,313
Cash and cash equivalents, beginning of the year	2,205,663	527,350
Cash and cash equivalents, end of the year	$ **2,695,553**	$ **2,205,663**
SUPPLEMENTAL CASH-FLOW INFORMATION		
Interest paid	$ -	$ -
Income taxes paid	$ -	$ -

Hindu University of America, Inc
(A Florida Nonprofit Corporation)
Statement of Functional Expenses
Year Ended June 30, 2022

	Program	General and Administrative	Fundraising	Total
Academic contracts	$ 415,288	$ -	$ -	$ 415,288
Admin contracts	165,877	122,000	-	287,877
Advertising and marketing	159,362	-	-	159,362
Advancement contracts	91,000	-	41,053	132,053
Faculty payments	70,761	-	-	70,761
Legal and professional	-	39,932	-	39,932
Student scholarships, in kind	33,550	-	-	33,550
Academic research grants	30,770	-	-	30,770
Technology	11,920	14,401	-	26,321
Merchant and bank fees	16,923	-	-	16,923
Accreditation Expenses	15,671	-	-	15,671
Travel	-	6,174	-	6,174
Cost of books sold and other	5,771	-	-	5,771
Total expenses	$ **1,016,893**	$ **182,507**	$ **41,053**	$ **1,240,453**
Percentage of total expense	82%	15%	3%	100%

Hindu University of America, Inc
(A Florida Nonprofit Corporation)
Statement of Functional Expenses
Year Ended June 30, 2021

	Program	General and Administrative	Fundraising	Total
Academic contracts	$ 234,101	$ -	$ -	$ 234,101
Admin contracts	-	213,450	-	213,450
Faculty payments	114,979	-	-	114,979
Academic research grants	88,320	-	-	88,320
Advancement contracts	87,500	-	-	87,500
Advertising and marketing	47,120	-	-	47,120
Legal and professional	-	19,458	-	19,458
Technology	-	17,816	-	17,816
Merchant and bank fees	7,769	-	-	7,769
Cost of books sold and other	7,006	-	-	7,006
Computer and software	-	5,495	-	5,495
Postage	1,813	-	-	1,813
Total expenses	$ **588,608**	$ **256,219**	$ **-**	$ **844,827**
Percentage of total expense	70%	30%	0%	100%

See accompanying notes to financial statements

1. <u>Summary of Significant Accounting Policies</u>

Nature of Activities -- Founded in 1989, Hindu University of America, Inc, ("Organization") a Florida nonprofit public educational corporation, is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The organization's mission is to provide education in knowledge systems based in Hindu thought involving critical inquiry, ethics, and self-reflection. Committed to fostering the culture and traditions of Hindu Dharma in an atmosphere of academic excellence and freedom, it prepares students for service, leadership, and global engagement.

Basis of Accounting -- Hindu University of America prepares the financial statements using the accrual basis of accounting in conformity with the generally accepted accounting principles in the United States of America. Under this basis of accounting, revenues are recognized in the period in which they are earned and expenses are recognized in the period incurred.

Basis of Presentation -- Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards and Accounting Standards Codification, Financial Statements of Not-for-Profit Organizations. Under Statement of Financial Accounting Standards and Accounting Standards Codification, the organization is required to report information regarding its financial position and activities according to classes of net assets: without donor restrictions and with donor restrictions.

Net Assets Without Donor Restrictions -- Revenues derived from contributions, investment income, and other inflows of assets whose use by the organization is not limited by donor-imposed restrictions. Certain assets without donor restrictions have been designated by the Board of Directors of the organization in agreement with any use restrictions as certain property and equipment needed by the organization for operations of its chartered purpose.

Net Assets with Donor Restrictions -- Contributions and other inflows of assets whose use by the organization is limited by donor-imposed stipulations that the resources must be maintained by the organization. The organization has no net assets with donor restrictions for the years ended June 30, 2022 and 2021.

Contributions -- Under Financial Accounting Standards Board in its Statement of Financial Accounting Standards and Accounting Standards Codification, Accounting for Contributions Received and Contributions Made, contributions received are recorded as net assets with or without donor restrictions depending on the absence or existence and nature of any donor restrictions.

Description of Program and Supporting Services -- The following program and supporting services are included in the accompanying financial statements:

Program -- Program is to provide educational programs and courses in the knowledge systems based in Hindu thought.

Management and General -- Hindu University of America is managed by a President working in close collaboration with a Board of Trustees of the organization and an administrative team to ensure an adequate working environment, provide coordination and articulation of the organization's program strategy, secure proper administrative functioning, and to manage the financial and budgetary responsibility.

Fundraising -- Provides the structure necessary to encourage and secure financial support from individuals, foundations, and corporations.

Cash and Cash Equivalents -- Cash consists of interest and non-interest-bearing accounts with two financial institutions. The organization considers all highly liquid investments with original maturity of three months or less from the date of purchased, to be cash equivalents. The carrying value of cash equivalents approximates fair value.

Investments -- Hindu University of America substantially carry all its investments in equity securities at fair value and subsequent unrealized gains and losses from changes in the fair values of these equity securities during the period are included in the statement of income.

Accounts Payable and Credit Card Liabilities -- Accounts payable and credit card liabilities are recorded when goods or benefits are received. The carrying amount of accounts payable and credit card liabilities in the statement of financial position approximates its fair value.

Advertising and Marketing -- Hindu University of America expenses the costs of advertising, marketing, including promotional expenses, as incurred. Advertising and marketing expenses were $159,362 and $47,120 for the years ended June 30, 2022 and 2021.

Revenue Recognition -- Contributions are recognized when the donor makes a promise to give to the organization that is, in substance, unconditional. Conditional promises to give are recognized when the conditions upon they depend are met. Donor-restricted contributions are reported as increase in net assets with donor restrictions. When restriction conditions are met, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Income Taxes -- Hindu University of America is a qualified organization exempt from Federal income and Florida franchise taxes under the provisions of Sections 501(c)(3) of the Internal Revenue Code and 23701(d) of the Florida Revenue and Taxation Code, respectively. In addition, the organization does not have any unrelated taxable business income in accordance with the Internal Revenue Service Code and FASB ASC 740 (FIN 48) does not apply.

Functional Allocation of Expenses -- The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Directly identifiable expenses are charged to programs, support services, and capitalized projects. Expenses related to more than one function are charged to programs, support services, and capitalized projects on the basis of periodic time. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide the overall support and direction of the organization.

Estimates Included in the Financial Statements -- The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. The organization is subject to risks and uncertainties that may cause actual results to differ from estimated amounts, such as changes in the legislation and regulations. The organization regularly evaluates their estimates and assumptions using historical experience and expectations about the future. The organization adjusts their estimates and assumptions when facts and circumstances indicate the need for change.

Fair Value of Financial Instruments -- The carrying amounts of financial instruments including cash and cash equivalents, Investments, accounts payable, credit card liabilities, and tuition fees received in advance approximate fair value at June 30, 2022, because of the relatively short maturity of these instruments.

2. Revenue and Support -- Under Statement of Financial Accounting Standards and Accounting Standards Codification, accounting for Contributions Received and Contributions Made, contributions received are recorded as with donor restrictions or net assets without donor restrictions net assets depending on the absence or existence and nature of any donor restrictions.

Student Scholarships, in Kind -- Hindu University of America's management has level 3 inputs for student scholarships in kind where if Hindu University of America did not have this free education given to student as scholarships it would significantly affect the organizations' mission. In addition, FASB ASC 820 required Hindu University of America's management to determine the methodology to value donated service and goods at fair value. Hindu University of America's free education to student as scholarships are valued using level 3 inputs, since the fair value is either determined by the donor or managements fees for each education program and internal estimates.

The value of "In-Kind" student scholarships given and recorded as Student scholarships, in kind in the financial statements for the year ended June 30, 2022 are $33,550 for 71 students.

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Hindu University of America recorded $33,550 and $0 for the years ended June 30, 2022 and 2021, respectively, as student scholarships in kind contributions under the head revenue and support. Also, as there were no fees paid by these 71 students, Hindu University of America recorded $33,550 and $0 for the years ended June 30, 2022 and 2021, respectively, as student scholarships expenses in kind under the head program expenses.

Contributed Services -- Contribute services are recognized as contributions in accordance with Statement of Financial Accounting Standards and Accounting Standards Codification, Accounting for Contributions Received and Contributions Made, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the organization.

The organization receives donated services from unpaid volunteers. During the year, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Numerous volunteers have donated significant amounts of time to the organization that are not recognized as contributions in the financial statements since the recognition criteria under Statement of Financial Accounting Standards and Accounting Standards Codification were not met.

3. <u>Concentration of Credit Risk</u> -- Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of deposits greater than $250,000 for interest bearing accounts with each financial institution that is a member of Federal Deposit Insurance Corporation (“FDIC”), and security deposits greater than $500,000 ($250,000 in cash) with each financial institution that is a member of Securities Investor Protection Corporation (“SIPC”).

The organization has cash balances on deposit at June 30, 2022 that exceeded the balance insured by the FDIC in the amount of $1,815,390. Management periodically reviews its cash policies and believes any potential accounting loss is minimal.

4. <u>Fair Value Measurements</u> -- ASC 820, Fair Value Measurements and Disclosures, defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income, or cost approach, as specified by ASC 820, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities Hindu University of America has the ability to access.

- Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include Hindu University of America's own data.)

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2022 and 2021.

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although Hindu University of America believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table presents Hindu University of America's fair value hierarchy for those assets and liabilities measured at fair value as of June 30, 2022.

	Fair Value June 30, 2022'	Quoted Prices in Active Marker for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	$ 199,675	$ 199,675	$ -	$ -
Common stock	40,294	$ 40,294		
Investments, available for sale	**$ 239,969**	**$ 239,969**	**$ -**	**$ -**

5. <u>Risk and Uncertainties</u> -- Hindu University of America is subject to not-for-profit regulations. Any changes in these regulations could materially affect the organization's activities and operations. In the normal course of business, the organization may periodically be subject to various claims and lawsuits. The organization intends to defend any claims and lawsuits vigorously.

The organization's management is not aware of any material contingencies through December 5, 2022 the date the financial statements were issued.

6. <u>Liquidity and Availability of Resources</u> -- Hindu University of America has $2,935,512 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash of $2,695,553. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The organization has a goal to maintain financial assets, which consist of cash on hand to cover a year of normal operating expenses, which are, on average, approximately $1,240,000. The organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

7. <u>Subsequent Events</u> -- Management has evaluated subsequent events through December 5, 2022, the date which the financial statements were available to be issued. The financial statements include all events or transactions, including estimates, required to be recognized in accordance with the accounting principles generally accepted in the United States of America. Hindu University of America has determined that there are no unrecognized subsequent events that require additional disclosures.